

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-02372A
Verde Lakes Water Corporation
2867 S. Verde Lakes Dr., Ste. B
Camp Verde, AZ 86322

RECEIVED

DEC 11 2008

ARIZONA CORP COMM
Director Utilities

ANNUAL REPORT
WATER

FOR YEAR ENDING

12	31	2008
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FOR COMMISSION USE

ANN 04	08
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PROCESSED BY:

9-23-09

SCANNED

COMPANY INFORMATION

Company Name (Business Name) VERDE LAKES WATER CORPORATION

Mailing Address 2867 SOUTH VERDE LAKES DRIVE, #B

(Street)

CAMP VERDE

AZ

86322-6595

(City)

(State)

(Zip)

928-567-4338

928-567-7049

928-300-0541

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address vlwatercorp@comspeed.net

Local Office Mailing Address SAME

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address SAME

MANAGEMENT INFORMATION

Management Contact: ALAN WILLIAMS OPERATIONS MANAGER

(Name)

(Title)

2867 SOUTH VERDE LAKES DRIVE, #B

CAMP VERDE

AZ

86322-6595

(Street)

(City)

(State)

(Zip)

928-567-4338

928-567-7049

928-300-0541

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address bigal@wildapache.net

On Site Manager: SAME

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address SAME

Statutory Agent: ALAN WILLIAMS

(Name)

2867 SOUTH VERDE LAKES DRIVE, #B CAMP VERDE AZ 86322-6595

(Street)

(City)

(State)

(Zip)

928-567-4338

928-517-7049

928-300-0541

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: N/A

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☒ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☒ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME

VERDE LAKES WATER CORPORATION

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	28,320	0	28,320
304	Structures and Improvements	47,139	14,872	32,267
307	Wells and Springs	29,423	21,092	8,331
311	Pumping Equipment	82,818	74,970	7,848
320	Water Treatment Equipment	56,440	11,827	44,613
330	Distribution Reservoirs and Standpipes	186,483	120,454	66,029
331	Transmission and Distribution Mains	333,786	319,912	13,874
333	Services	30,771	27,162	3,609
334	Meters and Meter Installations	56,256	56,137	119
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	13,514	11,796	1,718
341	Transportation Equipment	31,810	14,845	16,965
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	51,838	41,388	10,450
346	Communication Equipment	1,042	893	149
347	Miscellaneous Equipment	10,854	4,830	6,024
348	Other Tangible Plant	2,388	2,388	0
	TOTALS	962,882	722,566	240,316

This amount goes on the Balance Sheet Acct. No. 108



COMPANY NAME

VERDE LAKES WATER CORPORATION

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	28,320		0
304	Structures and Improvements	47,139	2.67	1,256
307	Wells and Springs	29,423	3.15	926
311	Pumping Equipment	82,818	5.38	4,452
320	Water Treatment Equipment	56,440	16.21	9,150
330	Distribution Reservoirs and Standpipes	186,483	2.21	4,120
331	Transmission and Distribution Mains	333,786	.42	1,386
333	Services	30,771	1.42	439.
334	Meters and Meter Installations	56,256	1.49	84.
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	13,514	4.61	623.
341	Transportation Equipment	31,810	2.00	6,362
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	51,838	9.24	4,790
346	Communication Equipment	1,042	13.05	136.
347	Miscellaneous Equipment	10,854	8.51	924.
348	Other Tangible Plant	2,388	0	0
	TOTALS	962,882		34,648

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 34,781	\$ 19,451
134	Working Funds		
135	Temporary Cash Investments	161,290	122,899
141	Customer Accounts Receivable	11,958	10,723
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	7,888	7,888
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 215,917	\$ 160,961
	FIXED ASSETS		
101	Utility Plant in Service	\$ 953,532	\$ 953,532
103	Property Held for Future Use	9,350	9,350
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(687,918)	(722,566)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 274,964	\$ 240,316
	TOTAL ASSETS	\$ 490,881	\$ 401,277

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 2,670	\$ 490
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	4,539	556
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 7,209	\$ 2,848
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	46,056	46,218
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 46,056	\$ 46,218
	TOTAL LIABILITIES	\$ 53,265	\$ 50,112
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	437,616	351,165
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 437,616	\$ 351,165
	TOTAL LIABILITIES AND CAPITAL	\$ 490,881	\$ 401,277

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 202,405	\$ 214,863
460	Unmetered Water Revenue		
474	Other Water Revenues	8,153	11,880
	TOTAL REVENUES	\$ 210,558	\$ 226,743
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 89,902	\$ 101,952
610	Purchased Water		
615	Purchased Power	22,603	19,595
618	Chemicals		
620	Repairs and Maintenance	24,731	81,588
621	Office Supplies and Expense	6,576	10,833
630	Outside Services	9,207	8,611
635	Water Testing	4,131	4,457
641	Rents	4,200	4,310
650	Transportation Expenses	6,493	6,226
657	Insurance – General Liability	8,584	15,479
659	Insurance - Health and Life	1,891	1,891
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense		2,487
403	Depreciation Expense	30,473	34,648
408	Taxes Other Than Income	6,947	8,689
408.11	Property Taxes	11,879	11,773
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 227,617	\$ 312,539
	OPERATING INCOME/(LOSS)	\$ (17,059)	\$ (85,796)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 5,619	\$ 1,608
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	930	2,263
	TOTAL OTHER INCOME/(EXPENSE)	\$ 4,689	\$ (655)
	NET INCOME/(LOSS)	\$ (12,370)	\$ (86,451)

COMPANY NAME VERDE LAKES WATER CORPORATION

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ _____

Meter Deposits Refunded During the Test Year \$ _____

COMPANY NAME	VERDE LAKES WATER CORPORATION
Name of System:	ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-801447	10	90	250	10		1992
55-801449	3	25	189	6		1958
55-559150	10	90	390	8	4	1997
55-524344	10	100	184	10	4	1990
55-524343	10	95	200	10	4	1990

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
7 ½	9	N/A	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
49,000 GAL	2	5,000 GAL	4
125,000 GAL	1		
66,000 GAL	1		
65,000 GAL	2		

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	VERDE LAKES WATER CORPORATION
Name of System:	ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2		
3	P.V.C.	500
4	P.V.C.	2,600
5		
6	P.V.C.	17,700
8	P.V.C.	2,800
10	P.V.C.	1,200
12		

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	783
3/4	N/A
1	3
1 1/2	2
2	2
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

3 CHLORINE PUMPS

2 ARSENIC REMOVAL EQUIPMENT

STRUCTURES:

BIG VALLEY - 1 FLEETRICAL SHED

DINKEY CREEK - 1 FLEETRICAL SHED

MAPLE - 1 PUMP SHED

STILLWATER - 1 PUMP SHED - FLEETRICAL SHED

OTHER:

N/A

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: VERDE LAKES WATER CORPORATION

Name of System: ADEQ Public Water System Number:

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2008

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	787	3688	4473	0
FEBRUARY	787	3305	4877	0
MARCH	787	3748	5239	0
APRIL	787	5582	7448	0
MAY	740	5970	7212	0
JUNE	753	6411	7819	0
JULY	755	7013	8430	0
AUGUST	759	5068	6236	0
SEPTEMBER	764	5179	6648	0
OCTOBER	770	5672	7004	0
NOVEMBER	776	4021	5525	0
DECEMBER	778	3061	3604	0
TOTALS →		58718	74515	-0-

What is the level of arsenic for each well on your system? _____ mg/l

(If more than one well, please list each separately.) Stillwater .027 mg/l

Dinky Creek .011

If system has fire hydrants, what is the fire flow requirement? ^{Big Valley} .009 GPM for _____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

(x) Yes () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(x) Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (x) No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME:	VERDE LAKES WATER CORPORATION
Name of System:	ADEQ Public Water System Number:

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY		8	
FEBRUARY		1	
MARCH		3	
APRIL		0	
MAY		1	
JUNE		3	
JULY		4	
AUGUST		5	
SEPTEMBER		4	
OCTOBER		8	
NOVEMBER		4	
DECEMBER		1	
TOTALS →	-0-	42	-0-

OTHER (description):

COMPANY NAME VERDE LAKES WATER CORPORATION **YEAR ENDING 12/31/2008**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2008 was: \$ 10,439.83

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED
SEP 24 2008
AZ CORP COMM
Director of Utilities

VERIFICATION

STATE OF AZ
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	YAVAPAI
NAME (OWNER OR OFFICIAL) TITLE	ALAN WILLIAMS, OPERATIONS DIRECTOR
COMPANY NAME	VERDE LAKES WATER CORPORATION

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2008

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS DAY OF

COUNTY NAME	
MONTH	.20__

(SEAL)

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES _____

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED
SEP 8 2008
AZ CORP COMMISSION
Director's Office

VERIFICATION

STATE OF AZ

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	YAVAPAI
NAME (OWNER OR OFFICIAL) TITLE	ALAN WILLIAMS, OPERATION DIRECTOR
COMPANY NAME	VERDE LAKES WATER CORPORATION

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2008

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2008 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 245,349

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 18,606
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

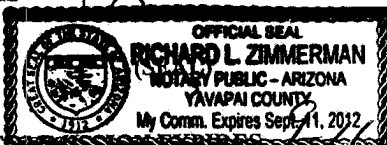

SIGNATURE OF OWNER OR OFFICIAL
928-567-4338
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

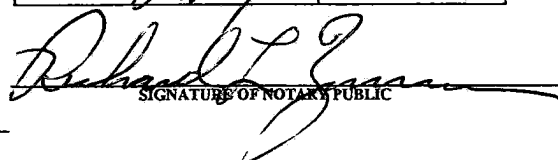
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15 DAY OF

COUNTY NAME	Yavapai
MONTH	July
	2008



MY COMMISSION EXPIRES


SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

RECEIVED
SEP 13 2008
ARIZONA CORP COMMISSION
Director, Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) YAVAPAI	
NAME (OWNER OR OFFICIAL) ALAN WILLIAMS	TITLE OPERATIONS DIRECTOR
COMPANY NAME VERDE LAKES WATER CORPORATION	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2008

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

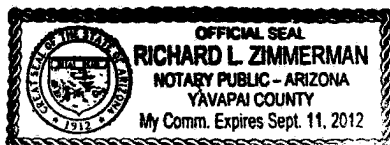
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2008 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ <u>245,349</u>

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 18,606
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**



SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

15th

DAY OF

(SEAL)

MY COMMISSION EXPIRES

9-11-2012

Alan Williams
SIGNATURE OF OWNER OR OFFICIAL
928-567-9338
TELEPHONE NUMBER

NOTARY PUBLIC NAME <u>Richard L. Zimmerman</u>	
COUNTY NAME <u>Yavapai</u>	
MONTH <u>July</u>	YEAR <u>2009</u>

X *Richard L. Zimmerman*
SIGNATURE OF NOTARY PUBLIC